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S E C R E T SECTION 01 OF 05 NEW DELHI 002830

SIPDIS

DEPARTMENT FOR S/CT, SCA

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SUBJECT: REGIONAL SECURITY INITIATIVE: DEVELOPING A SOUTH
ASIA COUNTERTERRORISM STRATEGY

Classified By: DCM Steven White for Reasons 1.4 (B, D)

11. (S/NF) Summary: U.S. Ambassadors to India, Pakistan, Bangladesh, Nepal and Sri Lanka met in New Delhi on August 26 with key members of the Washington interagency community and the Coordinator for Counterterrorism Ambassador Dell Dailey for the second Annual Regional Security Initiative (RSI). Participants reviewed existing bilateral counterterrorism programs and addressed the different threats posed by violent extremism in each country. Although everyone acknowledged the need to maintain bilateral programs, participants focused particular attention on the pressing need to develop regional CT strategies. Ambassadors agreed that the theme for South Asian CT efforts should be regional border control initiatives. In his concluding remarks Ambassador Dailey identified some regional border control programs that the Ambassadors can utilize, including wider installation of the TIP/PISCES database, increased engagement through India, multi-party participation in U.S. Coast Guard maritime training, expansion of USAID's existing regional efforts and embassy-to-embassy budget coordination.

12. (S) Summary Continued: While historical hostilities in South Asia make creating regional CT initiatives challenging, Ambassadors determined that the top priorities for the region include: (a) coordinate CT budget requests to ensure that appropriated funds can be used regionally; (b) create a CT-focused regional &Volunteer Visitor8 program that brings together senior decision-makers to tour CT infrastructure in the U.S.; (c) coordinate regional &border control8 training opportunities from various agencies; and (d) improve educational opportunities for those most vulnerable to violent extremism. Ambassadors agreed to hold a Secure Video Teleconference (SVTC) in March, 2009, to measure progress and ensure continued focus on a common regional counterterrorism vision. End Summary.

THREAT ASSESSMENT IN SOUTH ASIA

13. (S/NF) Analysts from the National Counterterrorism Center (NCTC) and the Department's Bureau of Intelligence and Research (INR) briefed participants on the growing regional threat posed by Pakistani-based and Bangladeshi-based

terrorist organizations with cross-border ties, such as Lashkar-e-Tayyiba (LeT) and Harkat-ul-Jihad-al-Islami-Bangladesh (HUJI-B). Analysts assessed that Al-Qaeda (AQ) has become even more established over the past year in the Federally Administered Tribal Areas (FATA), resulting in part from internal political strife in Pakistan. Al-Qaeda has forged closer ties with the Taliban, and on an operational level with LeT and other traditionally Kashmiri-based militant groups such as HUJI and Jaish-e-Mohammed (JEM). Ceasefire agreements between the Government of Pakistan and militants in the FATA and the Northwest Frontier Province (NWFP) have given AQ the breathing room to communicate with cells outside the region.

¶4. (S) Intelligence analysts also assessed that, outside of AQ-coordinated terrorist activities, Kashmiri militant groups like LeT and JEM have increased cooperation in the last year with FATA and NWFP militant groups, including those led by Baitullah Mahsud. Existing suspicions between the different militant factions seem to be breaking down, possibly as a result of Pakistan's decreased support for Kashmiri militants beginning in 2005. In addition to coordinating activities and training terrorists in the region, LeT is involved in smuggling and counterfeiting operations from Pakistan through Nepal and Bangladesh into India. Analysts said there has been a significant spike in the number of coordinated LeT-Taliban attacks against coalition forces in Afghanistan, as well as LeT attacks in India, in conjunction with Indian Mujahadeen. At times, Bangladesh and Nepal are used as staging areas for LeT and other Pakistani-based

NEW DELHI 00002830 002 OF 005

militants, attacks on India. Assistant Secretary for South and Central Asia Richard Boucher stated that he believes LeT is becoming so powerful that it may one day rival Al-Qaeda as a threat to the region and the world.

ONGOING REGIONAL CT PROGRAMS

¶5. (C) Ambassador Dailey provided a country-by-country review of all DS/ATA, SOCOM, and USAID CT-focused programs in South Asia, highlighting available funding mechanisms for these programs. Some of the programs and available funding mechanism discussed include:

- Special Regional Collaboration Fund: Ambassador Dailey offered a 150,000 dollar fund to any two ambassadors who collaborate on a regional CT initiative that reaches across borders and has an impact on more than one country in the region. It is designed to help ambassadors create some regional CT synergy.
- Border Control Initiative Conferences: An additional 100,000 dollars will be provided by S/CT to organize and host between two and four CT-focused conferences, with particular emphasis placed on ways in which regional border control initiatives can be presented to host country governments. Ambassador Powell offered to host the first of these conferences in Kathmandu.
- Ambassador's CT Fund: Four projects from South Asia were selected to participate in the inaugural Ambassador's CT Fund. Although these four programs are each bilateral in nature, Ambassador Dailey expressed his hope that program proposals for 2010 will be designed to have a regional impact. General Scott proposed that SOCOM evaluate this year's Ambassador CT Fund proposals that S/CT could not fund in the first tranche to determine if SOCOM could provide additional resources to some of the worthy projects.
- Regional Voluntary Visitor Program: Ambassador Dailey reiterated his desire to invite high-level CT policy makers from South Asia to participate together in a regional Voluntary Visitor program that focuses on site visits of key

USG CT infrastructure facilities.

- Regional Coordination of ATA Training Programs: Ambassador Dailey asked DS/ATA Program Director Mark Hunter to work with embassies to identify Anti-terrorism Assistance Training programs that can be offered simultaneously to participants from multiple countries in South Asia.

- Regional Budget Coordination: Ambassador Dailey proposed that embassies meet together prior to each fiscal year,s budget cycle to coordinate CT budget requests so that funds can be applied to regional programs, altering the traditional country-by-country method of budget review and submission. He said that this measure would ensure that embassies are both coordinating and executing regional CT strategies.

- DHS Assistant Secretary Carol Haave and DOJ/OPDAT Senior Director Barbara Berman highlighted several CT related programs their organizations are overseeing in the region, including DHS/ICE,s efforts with the Container Security Initiative in Sri Lanka and DOJ,s Regional Legal Advisors in Pakistan and Bangladesh.

CHALLENGES TO REGIONAL CT COOPERATION

16. (C) Within the context of creating regional CT cooperation, Ambassador Mulford and DCM Steven White each emphasized the need to focus on developing bilateral relations with India, and encouraging India to work on

NEW DELHI 00002830 003 OF 005

regional CT issues bilaterally. Ambassador Dailey echoed this sentiment in his concluding remarks, noting the need to engage India as a partner capable of taking a regional leadership role in South Asia while recognizing the delicate and sensitive nature of these efforts. White outlined obstacles to regional CT cooperation resulting from historical hostilities between India and its neighbors, but noted that despite these difficulties, people-to-people ties were strong, even if government-to-government ties remained strained. India does maintain some senior-level discussions through the Composite Dialog with Pakistan, but these have not produced any tangible CT results as a result of the two countries, mutual suspicions. Ambassador Mulford said that the first challenge to creating lasting regional CT initiative was getting leaders in South Asian countries to view terrorism as both a regional problem and a problem that exists within their own borders, instead of always viewing terrorism as either the neighbor,s problem, or even the neighbor,s fault. Mulford noted India fears that a regional approach would allow its neighbors to conspire against it.

PAKISTAN: DETERIORATION BEFORE IMPROVEMENT LIKELY

17. (C) Ambassador Patterson led the discussion on the ongoing challenges in battling terrorism in Pakistan and offered her views on the prospects for the new Pakistani government. There has been an increase in attacks on American troops in Afghanistan. Pakistan,s Inter-Services Intelligence (ISI) has longstanding relationships with most of the extremist groups operating in Pakistan and trans-border regions, but the government,s areas of control are decreasing. In the last year, former-Pakistani President Musharraf was fixated on domestic politics at the expense of internal security issues, which has made the situation in FATA an increasingly uncertain one.

18. (C) Ambassador Patterson assessed that the situation would likely deteriorate before it would improve, especially as there is little political support in Pakistan for stronger moves against the insurgents. The U.S. is extremely unpopular with the public; the perception of the populace is

that the U.S. is asking them to fight America's war and that their lives would have been better if they had not done so. In addition, the military is structured to counter India, not to fight the insurgency, and the Pakistani army is reluctant to receive U.S. training. Pakistan Muslim League leader Nawaz Sharif and President Zardari both want better relations with India, and Zardari is known as a U.S. supporter, but he is currently absorbed in his own political struggles. Among the options to help the financial situation for Pakistanis are an IMF stabilization program, an economic rescue package targeted at developing the tribal areas, and Saudi Arabia accepting a deferred debt payment plan. Regardless of which option is chosen, Patterson said, Pakistan will have to take immediate action to stave off impending financial crisis, especially if it intends to address the increasing threat posed by militants to Islamabad.

AIDING CT THROUGH PUBLIC-PRIVATE PARTNERSHIPS

19. (C) Ambassador Blake led the discussion on the impact that public-private partnerships can have in addressing the root causes of terrorism, using reconstruction in eastern Sri Lanka as a case study. Blake used examples related to the tourism industry, education, and humanitarian projects, highlighting the need for improving educational opportunities across all segments of society. Vocational education programs, such as those in the IT arena, could be focused toward the poorest children who are either unable to obtain a formal education or have access only to substandard schools. Each of the ambassadors discussed the need for increased

NEW DELHI 00002830 004 OF 005

educational funding, and Ambassador Blake suggested that the USG should work with South Asian universities, in addition to American universities, to create more educational opportunities for those most susceptible to violent extremism. Blake said that this approach would eliminate some of the difficulties American universities often have as a result of the lengthy security checks performed before a student visa can be issued. Blake said that despite some reconstruction progress in the East, the tourism sector is still underdeveloped, in part as a result of an unfulfilled demand for people trained in the hospitality industry. Limited government resources for humanitarian aid make disaster relief projects promising candidates for public-private partnerships, especially as fundraising for such programs is often less difficult.

DEFUSING RADICALIZATION IN NEPAL

10. (C) Using the Maoists, recent electoral victory in Nepal as a prime example, Ambassador Powell discussed U.S. strategies to counter radicalization given uncertainties about the political direction that regional states may take. She described the often on-again-off-again efforts to stand up a government capable of drafting a new constitution, noting that Nepal's economic troubles have caused the security situation to deteriorate in some areas to a level worse than that existing when the Maoists were openly fighting against the government. Powell said that the &middle hills where the Maoist insurgency originated are more secure now, but violence has increased in the southern third of the country (with criminal gangs active in kidnappings, extortion and ethnic cleansing. Powell outlined recent changes in USG policy to expand opportunities to interact with and influence Maoists government leaders. In addition to forming a functioning government, one significant objective of USG involvement is to preempt other disaffected copycat groups from attempting to replicate the Maoist successful insurgency. Despite increased criminal activities and the dire economic circumstances facing Nepal, Powell did not feel as though Nepal was becoming a safe haven for transnational terrorists, although Nepal's porous borders

make transit through Nepal virtually trouble-free.

STRENGTHENING BORDER CONTROLS

¶11. (C) Ambassador Moriarty led the discussion on current USG efforts to help host country governments strengthen their border controls. He discussed recent efforts by the Rapid Action Battalion (RAB), Bangladesh's elite CT force, to improve its human rights record enough to enable it to be eligible for USG-funded training. Bangladesh police and military forces were not effective at patrolling land and maritime borders. Considerable concerns remained about transnational terrorists, ability to use Bangladesh's porous borders as a means of attacking India. Ambassador Moriarty also highlighted the importance of interagency cooperation in advancing counterterrorism goals. He cited as an example the participation of the Military Liaison Element (MLE) in Embassy Dhaka's Counterterrorism Working Group. DS/ATA Programs Director Mark Hunter discussed ATA's recent efforts to map vulnerabilities along the Bangladesh-India border, noting that ATA intends to perform similar studies along the India-Nepal and India-Pakistan borders if the assessments can be coordinated properly with the host country governments. Recognizing the systemic problems that each of the South Asian countries have with border controls, Ambassador Dailey suggested that regional programs, including ATA training, be focused on the theme of improving border control programs.

CONCLUSION

NEW DELHI 00002830 005 OF 005

¶12. (C) Ambassadors and the interagency agreed to press forward on efforts to create regional CT initiatives, without abandoning bilateral efforts in each of the South Asian countries as well. (Note: A matrix of the top action items discussed in this cable as well as each of the other issues addressed at the RSI, and the current progress that is being made on each item, is available at www.intelink.sgov.gov/inteldocs/view.php?fDocumentId=17866. Anyone unable to access Intellopedia should contact Seth Bailey at BaileyBS@state.Sgov.Gov for the latest version of the South Asia RSI Action Matrix. End Note). Ambassador Dailey suggested the parties participate by secure video teleconference (SVTC) in approximately six months to evaluate progress made on the proposals identified in the RSI and address any new programs that can be worked into the regional framework. The SVTC was tentatively scheduled for the second week of March.

¶13. (U) The Coordinator for Counterterrorism Ambassador Dell Dailey and Ambassadors Powell, Patterson, Moriarty, and Blake have cleared this cable.
MULFORD